

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants: Robert K. Samson
Serial No.: 09/766,277
Filed: January 19, 2001
For: INVESTMENT GUIDANCE SYSTEM WHICH ENABLES
INDIVIDUALS TO RATE AND SELECT ASSETS BASED ON
PERSONAL INVESTMENT PREFERENCES
Examiner: Daniel S. Felton
Art Unit: 3696

Via EFS

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PRE-APPEAL BRIEF REQUEST FOR REVIEW

This Pre-Appeal Brief Request for Review is with regards to the final office action mailed June 9, 2009. No amendments are being filed with this Request. This Request is being filed with a Notice of Appeal. Reconsideration and Allowance is respectfully requested in view of the Remarks contained in the following pages.

REMARKS

Claims 78-86 and 113-116 stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,275,814 to Giansante *et al.* in view of U.S. Patent No. 5,126,936 to Champion *et al.* These rejections are respectfully traversed.

An obviousness rejection “cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” MPEP §2141 quoting *KSR International Co. v. Teleflex Inc.*, 82 USPQ2d 1386, 1385 (2007). This rationale must include a showing that all of the claimed elements were known in the prior art and that one skilled in the art could have combined the elements as claimed by known methods with no change in their respective functions, to produce a combination yielding nothing more than predictable results to one of ordinary skill in the art. *KSR*, 82 USPQ2d at 1395.

For the reasons that follow, Applicant’s contends that the cited references fail to teach many of the recited features of the independent claims and/or the dependent claims. For the purpose of this Pre-

Appeal Brief, only a couple of the features recited in the claims will be discussed; however, Applicant contends that the art fails to teach many other claim features not specifically discussed in this Brief.

The Cited Art Fails to Disclose All the Features of Independent Claim 78

Independent claim 78 recites “[a]n investment guidance system for providing financial planning assistance, comprising: ... means for providing two or more criteria associated with said assets for said user to evaluate; means for determining a normalized value for each of said two or more criteria; means for receiving a relative weight of importance for said two or more criteria based on the user’s personal investment preferences; means for determining a rating for each asset based on the normalized values and the relative weights assigned to said two or more criteria ...” Applicant’s system thus determines a normalized value for each of the criteria (e.g., financial statistics) associated with an asset, and determines a rating for each asset that is based on the determined normalized values and relative weights assigned to the criteria used to evaluate the assets. A user can therefore control the relative importance of criteria associated with an asset (e.g., the asset’s risk, R-square value, tax efficiency, etc.) to facilitate rating of assets.

Giansante, on the other hand, describes financial modeling techniques and an automated system for interacting with a user for computing and supplying asset recommendations to the user (Giansante, col. 1, lines 6-10). Giansante explains that in its system and methodology conventional portfolio computations are modified to take into accounts assets exhibiting a statistical variation in the value of the expected investment return. Giansante also explains that multiple portfolios lying in an efficient zone are constructed and considered, and that the portfolio/assets are selected by creating a set of weighted average portfolio:

In the present invention conventional portfolio computations are modified to permit the consideration of assets exhibiting a statistical variation in the value of the expected investment return. This permits the consideration and construction of multiple portfolios which lie in an efficient “zone” rather than on a precise efficient frontier. The methodology further refines the selection by averaging the set of zone portfolios to create a set of weighted average portfolios. The set of average portfolios is a benchmark that may be further modified in the methodology. (Giansante, col. 2, lines 30-40)

Additionally, claim 2 of the Giansante patent (on which the examiner relied) recites:

2. The process of claim 1 further comprising the step:
k) **adjusting the weights of the assets** in each efficient portfolio to optimize the level of industry sector and investment style diversification in the portfolio, so as to maintain the portfolio at a position on or near the efficient frontier and at the desired risk level. (**Emphasis added**, Giansante, col. 6, lines 36-44)

Thus, Giansante weighting is performed on assets or on a portfolio. Giansante does not describe that the criteria themselves (e.g., statistical measures associated with an asset) are weighed or

averaged in any way. Accordingly, Giansante fails to disclose or suggest at least the features of “means for receiving a relative weight of importance for said two or more criteria based on the user’s personal investment preferences.” Furthermore, Giansante does not describe at any point that any type of rating value is determined for each asset (which can then be compared to other assets’ derived rating values) based on the assets’ weighed criteria. Accordingly, Giansante also fails to disclose or suggest at least the features of “means for determining a rating for each asset based on the normalized values and the relative weights assigned to said two or more criteria.”

Champion describes a programmed controlled financial asset management system for implementing investor participation in capital markets through long and short positions in indexed investment vehicles (Champion, col. 1, lines 8-12). Champion indicates that investors can specify asset category weighing:

System operation is governed by the CPU (central processing unit) **which receives the inputted data from the participating investors, in terms of deposits or withdrawals and changes to asset category weighting** and respective MM. The CPU then performs an iterative calculation determining a required asset mix position for each account in response to the recently entered data for the operative period. The CPU aggregates the individual required trading positions for each account in each asset to determine a net trade in that asset group in response to all participants’ requests and thereafter provides a recommended buy/sell order for execution in the marketplace. **To the extent that the net of deposits and withdrawals and changes in asset weightings** and MMs results in no new buying or selling being required by the system proprietor, significant transaction expenses are saved, ... (Emphasis added, Champion, col. 5, lines 40-56)

Thus, while Champion’s system apparently performs asset weighting, Champion’s system does not perform, or use, weighing of criteria to select assets. Much less does Champion’s system determine a rating value, associated with an asset, that is based on the assets weighed criteria. Accordingly, Champion too fails to disclose or suggest at least the features of “means for receiving a relative weight of importance for said two or more criteria based on the user’s personal investment preferences,” or “means for determining a rating for each asset based on the normalized values and the relative weights assigned to said two or more criteria.”

Because neither Giansante nor Champion discloses or suggests, alone or in combination at least the features “means for receiving a relative weight of importance for said two or more criteria based on the user’s personal investment preferences,” and/or “means for determining a rating for each asset based on the normalized values and the relative weights assigned to said two or more criteria,” Applicant’s independent claim 78 and the claims depending from it are patentable over the cited art.

Furthermore, the Examiner contended, in response to the arguments in Applicant’s March 5, 2009, Amendment, that:

Similar to the applicant's invention, it is maintained that Giansante in combination with Champion discloses **adjusting the weights of assets** in each efficient portfolio to optimize the level of industry sector and diversification in the portfolio to maintain the portfolio at a position on or near the efficient frontier and the desired risk level. It is being maintained that the adjusting of weights to optimize the level of industry sector suggest a functional equivalent of ranking and normalization claimed in the applicant's invention inasmuch as normalization seeks to reduce redundancies in data to make its use more efficient and the maintenance of the portfolio a certain position and at a certain risk level suggests ranking (see at least Giansante, column 6, lines 7-67). (**Emphasis added**, Office Action, pages 2-3)

Thus, by the Examiner's own admission, the combination of Giansante and Champion teaches adjusting weight of assets (so as to "optimize the level of industry sector and optimization"), and not the adjustment of weights of criteria used to select assets. Weighing assets is not the functional equivalence of weighing criteria that are subsequently used to select assets. Weighing of criteria affects which and/or how assets are selected, rather than what weights to give selected assets. By the Examiner's own admission, therefore, the combination of Giansante and Champion fails to disclose all the feature of Applicant's independent claim 78.

The Cited Art Fails to Disclose All the Features of Claim 114

The Examiner, relying on his reasoning vis-à-vis independent claim 78, rejected claim 114 (which depends from independent claim 78). Applicant's claim 114 recites "wherein the means for determining the rating for each asset based on the normalized values comprises: means for multiplying each of the normalized values associated with each of the assets by the respective relative weight of importance; and means for summing the normalized values associated with each of the assets multiplied by the respective weights to obtain the respective rating for each of the assets, the respective rating being an aggregate sum corresponding to the respective asset's associated values multiplied by the associated values' respective weights." As explained in the specification of Applicant's application:

The mutual fund selector utilizes financial statistics which are well known in the art, in order to evaluate the mutual fund criteria. Some of the statistics are components of the Modern Portfolio Theory (MPT), which is a standard financial and academic method for assessing the risk of mutual funds. The financial statistics include, but are not limited to, alpha, beta, R-squared, standard deviation, and the Sharpe ratio. However, since each financial statistic is unique and has a different range (e.g. R-squared ranges from 0 to 100, alpha can be positive or negative with no numerical limits), it is preferable to normalize the statistical data so that the diverse mutual fund criteria can be evaluated together. The statistical data is normalized by creating a distribution of the selected mutual fund universe and describing the statistical value based on its relative position in the distribution. The slider bars are multipliers, which allow the user to effectively assign a weight to each of the mutual fund criteria. Each mutual fund criterion is measured by one or more statistical values which are normalized so that different fund criteria can be evaluated simultaneously. (Application, page 37, lines 1-13)

Thus, in some embodiments, to rate assets based on weighed criteria, statistical scores (i.e., criteria) of the assets are first normalized by producing corresponding distributions for each such

statistical score, and computing a normalized score for the assets based on an assets position in the distribution for that particular score. The normalized statistical scores for each assets are then weighed, and the sum of the normalized and weighed statistical scores for each assets are computed to thus enable generating a ranking of the assets based on that computed sums.

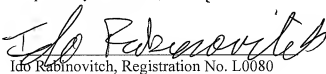
As explained above in relation to independent claim 78, neither Giansante nor Champion discloses or suggests weighing criteria (e.g., statistical scores). It therefore follows that neither of these references discloses or suggests the more specific embodiments of claim 114, namely, that the rating of assets is performed by weighing normalized statistical scores associated with each of the assets, summing the weighed scores for each of the assets, and ranking the computed sums.

CONCLUSION

For the foregoing reasons, Applicant's independent claim 78 and the claims depending from it are patentable over the cited art.

It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment. If a telephone conversation with Applicant's representative would help expedite the prosecution of this application, the Examiner is invited to call the undersigned attorney at (617) 348-1806. Please apply any charges not covered, or any credits, to Deposit Account 50-0311, Reference No. 29240-001.

Respectfully submitted,



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